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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/042,371	12/27/2001	Andrew C. Gilbert	CF-46	6761

64558 7590 04/04/2007  
FISH & NEAVE IP GROUP  
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NEW YORK, NY 10036-8704

EXAMINER
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ONYEZIA, CHUKS N

ART UNIT	PAPER NUMBER
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3692

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	04/04/2007	PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

**Office Action Summary**

Application No.

10/042,371

Applicant(s)

GILBERT ET AL.

Examiner

Chuks Onyezia Esq.

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 06 February 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 13-18,21,22,24-26,28,29 and 43-47 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 13-18,21,22,24-26,28,29 and 43-47 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 28 January 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

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**DETAILED ACTION**

***Response to Amendment***

1. Applicants' amendment and arguments filed on February 6, 2007 have been fully considered, and discussed below. It is noted that applicant has canceled the following claims: 1-12, 19-20, 23, 27, and 30-41. Therefore, claims 13-18, 21, 22, 24-26, 28-29, and 43-47 are pending and currently considered for examination.

***Claim Rejections - 35 USC § 102***

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 14-18, 21, 22, 25, 26, 28, 29, and 43-47 are rejected under 35 U.S.C. 102(e) under the same rational as first mentioned in prior Office Action.

3. Claims 13, 24, and 42 are rejected under 35 U.S.C. 102(e) as being anticipated by Pritchard U.S. Patent Publication No. 2002/0046154 A1 (PTO-892 Reference A).

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4. As per claim 13 Pritchard teaches a method for creating and trading a dynamic security comprising the steps of:

selecting a plurality of assets to form a dynamic security, the plurality of assets chosen from two or more of the categories (PRITCHARD Paragraph [0054], Selection of investment instruments may occur next at step 204. The selection may be based in whole or in part upon the risk/return preferences of an investor):

fixed income securities, stocks, futures contracts, options contracts, other securities, non-security financial instruments, real property leases, and collectibles (PRITCHARD Paragraph [0045], Investment instruments may be any stock, bond, security, debt instrument, exchange traded fund (ETF), mutual fund, currency, commodity, equity investment, futures investment, dividend-paying investment, investment trust or any other suitable asset or investment);

the dynamic security being a financial interest whose value tracks the sum of the values of the assets forming the dynamic security (PRITCHARD Paragraph [0025], The trust may be redeemable for the elements or some settlement value at anytime or from time to time. The elements may be disassembled, may each be traded individually in their respective markets, may be kept together and traded as is, or may be settled for some value);

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comparing a rate of return of an asset within the dynamic security to a pre-determined target rate of return (PRITCHARD Paragraph [0018], the financial data processing system may monitor the performance of the underlying investment instruments of the trust, as well as the trust itself, in order to generate reports to investors and/or brokers on the value of the trust and its underlying investment instruments, on the present and expected return of the investment and other information); and

trading the asset within the dynamic security based on the comparing (PRITCHARD Paragraph [0025], the trust may be redeemable for the elements or some settlement value at anytime or from time to time. The elements may be disassembled, may each be traded individually in their respective markets, may be kept together and traded as is, or may be settled for some value).

5. As per claim 24 Pritchard teaches a system for creating and trading a dynamic security comprising:

means for selecting a plurality of assets to form a dynamic security, the plurality of assets chosen from two or more of the categories (PRITCHARD Paragraph [0054]):

fixed income securities, stocks, futures contracts, options contracts, other securities, non-security financial instruments, real property leases, and collectibles (PRITCHARD Paragraph [0045]);

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the dynamic security being- a financial interest whose value tracks the sum of the values of the assets forming the dynamic security (PRITCHARD Paragraph [0025]);

means for comparing a rate of return of an asset within the dynamic security to a pre-determined target rate of return (PRITCHARD Paragraph [0018]); and

means for trading the asset within the dynamic security based on the comparing (PRITCHARD Paragraph [0025]).

6. As per claim 42 Pritchard teaches a system for creating and trading a dynamic security comprising:

a storage device, the storage device storing: a program for controlling the processor; a list of assets (PRITCHARD Paragraph [0049]);

a processor connected to the storage device the processor operative with the program to: select a plurality of assets from a list of assets to form a dynamic security from the selected plurality of assets, the plurality of assets chosen from two or more of the categories (PRITCHARD Paragraph [0046]): fixed income securities, stocks, futures contracts, options contracts, other securities, non-security financial instruments, real property leases, and collectibles (PRITCHARD Paragraph [0045]);

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the dynamic security being a financial interest whose value tracks the sum of the values of the assets forming the dynamic security (PRITCHARD Paragraph [0025]);

compare a rate of return of an asset within the dynamic security to a pre-determined target rate of return (PRITCHARD Paragraph [0018]); and

trade the asset within the dynamic security based on the result of the compare (PRITCHARD Paragraph [0025]).

#### ***Response to Arguments***

7. Applicant's arguments filed 02/06/2007 have been fully considered and are not deemed to be persuasive.

8. Applicant's arguments contain reference to Pritchard '018. Examiner notes that Pritchard '018 was not relied on in this action or prior Office Action. Examiner interprets applicant's recitation of Pritchard '018 as a typographical error with the intent to recite Pritchard '154, and has responded according to the content of Pritchard '154.

9. Applicant argues in substance that:

a. Each claim as originally presented recited "comparing of the rate of return . . . to a predetermined target rate of return," and that the Office Action, filed 11/09/2006, compares this language to paragraph [0018] of Pritchard '

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154. The comparison is inapt. Both the word "pre-determined" and the word "target" connote a prospective future desired target, where Pritchard '154 shows only retrospective historical measurement and nonintentional projection.

In response to the above argument:

Pritchard clearly teaches a comparison of rate of return to a predetermined target rate of return (see Pritchard paragraph). One of ordinary skill in the art would readily recognize an expected return on investment as both a predetermined target and future desired target. Additionally, one of ordinary skill in the art would readily recognize that such a target would use retrospective historical measurements to forecast such a prospective rate.

10. Applicant also argues in substance that:

b. Pritchard '154 cannot participate as an obviousness reference, pursuant to 35 U.S.C § 103(c) because both Pritchard '154 and this application where, at the time of their respective inventions, owned by or under obligation of assignment to the same assignee, Cantor Fitzgerald.

In response to the above argument:

"It is important to recognize that 35 U.S.C. 103(c) applies only to consideration of prior art for purposes of



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obviousness under 35 U.S.C. 103. It does not apply to or affect subject matter which is applied in a rejection under 35 U.S.C. 102 or a double patenting rejection. In addition, if the subject matter qualifies as prior art under any other subsection of 35 U.S.C. 102 (e.g., 35 U.S.C. 102(a) or (b)) it will not be disqualified as prior art under 35 U.S.C. 103(c). MPEP 706.02(1). Examiner notes that no U.S.C. 103 rejections were presented in the prior Office Action.

Additionally, applicant has not provided clear and conspicuous evidence. "The statement concerning common ownership should be clear and conspicuous (e.g., on a separate piece of paper or in a separately labeled section) in order to ensure that the examiner quickly notices the statement. Applicants may, but are not required to, submit further evidence, such as assignment records, affidavits or declarations by the common owner, or court decisions, in addition to the above-mentioned statement concerning common ownership" MPEP 706.02(1)(2)II. Examiner notes that Applicants statement does not clearly elect whether the applications were owned by same assignee, or under assignment obligation to same assignee.

Lastly, examiner is requiring objective evidence of common ownership, MPEP 706.02(1)(2)II. accuracy of the

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representation is doubted because examiner has found no record of Cantor Fitzgerald possessing assignment rights to either application. More over, examiner has record of Pritchard '154 being assigned to ESPEED Inc. as of 12/23/2002.

**Conclusion**

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Chuks Onyezia Esq. whose telephone number is 571-270-1372. The examiner can normally be reached on Monday - Thursday 9am-5pm.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on 571-272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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HANI M. KAZIMI  
PRIMARY EXAMINER

C. Onyezia 03/12/2007